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E.O. 12958: DECL: 02/02/2017

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SUBJECT: DOMINICAN POLITICS III #15: PRD'S VARGAS MALDONADO
WINS PARTY'S PRESIDENTIAL NOMINATION

REF: SANTO DOMINGO 3413

Classified By: Economic-Political Counselor Michael A. Meigs, Reasons 1
.4(b), (d)

[¶](#)1. This is the fifteenth cable in our series on Dominican
politics in the third year of the administration of President
Leonel Fernandez.

PRD'S VARGAS MALDONADO WINS PARTY'S PRESIDENTIAL NOMINATION

[¶](#)2. (SBU) As expected, on January 28 Miguel Vargas Maldonado
won a decisive victory in the presidential primary for the
Dominican Revolutionary Party (PRD). Vargas, a wealthy
construction magnate and former Minister of Public Works,
beat his only contender, former Vice President Milagros Ortiz
Bosch, with more than 80 percent of the vote. As the
standard bearer of the largest opposition party, Vargas is
likely to face incumbent President Leonel Fernandez of the
Dominican Liberation Party (PLD) in the May 2008 election.

[¶](#)3. (SBU) The PRD primary went smoothly, a sharp contrast to
the raucous 2003 contest, which featured a bitter row between
supporters of then-President Hipolito Mejia and his opponents
fighting against the principle of re-election. Mejia's
bitterest foe, PRD president Hatuey de Camps, eventually
split from the party and formed a new political group. The
PRD went on to lose badly, not only in the 2004 presidential
but also in the 2006 congressional and municipal elections.

[¶](#)4. (C) Maintaining party unity will be a continuing challenge
for Vargas; however, he is off to a good start, having run a
respectable primary campaign and securing a gracious
concession of the race from Ortiz. Another challenge is
posed by continuing questions about the source of Vargas'
considerable wealth. Some of his assets derive from profits

from his construction firms, and he is said to have received a considerable inheritance from his father. However, anyone's tenure at the Public Works Ministry raises eyebrows, although several Embassy contacts have described Vargas' time at Public Works in positive terms, calling the Ministry's work under his direction "efficient." The weekly newspaper Clave Digital and its on-line counterpart www.clavedigital.com have run a series of articles highlighting Vargas' dealings with Spanish businessmen indicted for the Marbella scandal in that country.

15. (SBU) There is minimal ideological difference between the PRD and PLD, and we expect Vargas' campaign to focus on bread-and-butter issues. In a meeting with the Ambassador last year (reftel), the PRD candidate argued that the cost of basic foodstuffs is up, and that the PLD has broken a series of promises to the public. Were he to win the presidency, Vargas said, his administration would focus on four priorities: education, health, economic growth, and housing. No surprises there.

16. (C) Vargas has told us that the United States is the most important country to the Dominican Republic, for many reasons. U.S. concerns such as terrorism, counter-narcotics, illicit flights from Venezuela, and extradition are "also concerns of ours. . . the United States is our main partner in combating these ills, which are also domestic issues because they contribute to the crime problem in the Dominican Republic."

Comment

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17. (C) Vargas never faced a serious challenge for the PRD nomination, and now he has a year and a half to unite the party and chip away at President Fernandez's popularity, which remains strong even as Fernandez's poll numbers have fallen somewhat. Vargas conquered his party on personal charm, influence, and charisma without delivering a single major speech or publishing a single op-ed piece or article anywhere. Billboards with his airbrushed, smiling image have been seen everywhere across the country since last October.

18. (C) To date Vargas has kept his public appearances to a minimum, preferring to focus on internal party gatherings, maneuvering and using his wealth to secure support. He offers apparently spontaneous comments to the press when asked, which is often, and he has begun to deliver well-scripted superficial interviews to journalists, in their offices (not in his own luxurious villa in the wealthy enclave of Casa de Campo, la Romana). Vargas says that he intends to counter the articles published by Clave, owned by another prominent Dominican entrepreneur and construction magnate, Abraham Hazoury.

-- Drafted by Peter Hemsch

(U) This report and extensive other material can be consulted on our SIPRNET site,
<http://www.state.sgov.gov/p/wha/santodomingo/>
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